

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

	2Q 2013		1Q 2013		4Q 2012		3Q 2012		2Q 2012	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$ 715,053		\$ 705,417		\$ 694,640		\$ 675,112		\$ 662,049	
Net Sales	40,773		37,607		39,560		40,582		39,878	
Lapses										
First Year	(11,036)	8.52%	(11,600)	9.15%	(14,095)	10.80%	(12,239)	9.48%	(11,522)	9.09%
Renewal Year	(12,989)	2.24%	(13,636)	2.36%	(13,393)	2.40%	(13,134)	2.43%	(12,258)	2.31%
	(24,025)	3.38%	(25,236)	3.59%	(27,488)	3.99%	(25,373)	3.79%	(23,780)	3.62%
Deaths and Other *	(3,831)		(2,735)		(1,295)		4,319		(3,035)	
End of Qtr	<u>\$ 727,970</u>		<u>\$ 715,053</u>		<u>\$ 705,417</u>		<u>\$ 694,640</u>		<u>\$ 675,112</u>	
Direct Response										
Beginning of Qtr	\$ 677,246		\$ 659,026		\$ 658,008		\$ 659,421		\$ 649,509	
Net Sales	39,527		37,254		31,873		31,432		38,255	
Lapses										
First Year	(11,278)	12.24%	(12,799)	14.57%	(16,906)	18.44%	(17,057)	17.70%	(11,991)	12.63%
Renewal Year	(11,685)	2.14%	(12,827)	2.40%	(12,966)	2.45%	(12,550)	2.40%	(10,767)	2.10%
	(22,963)	3.60%	(25,626)	4.12%	(29,871)	4.81%	(29,607)	4.78%	(22,759)	3.74%
Deaths and Other *	(4,992)		6,592		(984)		(3,238)		(5,584)	
End of Qtr	<u>\$ 688,818</u>		<u>\$ 677,246</u>		<u>\$ 659,026</u>		<u>\$ 658,008</u>		<u>\$ 659,421</u>	
Liberty National										
Beginning of Qtr	\$ 292,021		\$ 295,396		\$ 296,311		\$ 298,810		\$ 299,161	
Net Sales	8,187		7,127		8,553		8,297		8,045	
Lapses										
First Year	(2,475)	7.83%	(2,782)	8.81%	(2,902)	8.96%	(2,798)	8.67%	(2,796)	8.41%
Renewal Year	(5,516)	2.13%	(6,737)	2.58%	(6,446)	2.45%	(5,764)	2.18%	(5,645)	2.13%
	(7,991)	2.75%	(9,519)	3.25%	(9,348)	3.17%	(8,562)	2.89%	(8,442)	2.83%
Deaths and Other *	(1,349)		(983)		(120)		(2,234)		46	
End of Qtr	<u>\$ 290,868</u>		<u>\$ 292,021</u>		<u>\$ 295,396</u>		<u>\$ 296,311</u>		<u>\$ 298,810</u>	

* Include foreign exchange adjustments, changes in coverage and timing differences